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**United Nations Forum on Forests**
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**Means of implementation**

# Means of implementation for sustainable forest management

**Note by the Secretariat****

*Summary*

At the eleventh session of the United Nations Forum on Forests, in 2015, it was decided to strengthen the facilitative process and make it more effective, and that the facilitative process was to be renamed the Global Forest Financing Facilitation Network (see E/2015/42 and E/2015/42/Corr.1, and Economic and Social Council resolution 2015/33). According to the quadrennial programme of work of the United Nations Forum on Forests for the period 2017–2020, the means of implementation for sustainable forest management, including financing, is a recurring cross-cutting issue for each session. The programme of work specifies that the issues to be considered at the thirteenth session of the Forum are the following: issues related to progress on the activities and the operations of the Network; guidelines for its operation and measures to increase its effectiveness and efficiency.

The present report contains a summary of the intersessional activities on forest financing, including the activities of the Network in the period from May 2017 to March 2018. It also contains a brief review of the main developments that have occurred since the twelfth session. The report includes a summary of recommendations on operational guidelines for the Network and measures for improving its efficiency and effectiveness, based on the outcomes of intersessional work, including the expert group meeting held in Chengdu, China, from 6 to 8 March 2018, for consideration by the Forum at its thirteenth session.

* E/CN.18/2018/1.

** Submission of the present document was delayed in order to take into account the discussions of the expert meeting on the contribution of the Network to the implementation of the United Nations strategic plan for forests, held in Chengdu, China, from 6 to 8 March 2018.

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# I. Introduction

1. In the quadrennial programme of work of the United Nations Forum on Forests for the period 2017–2020, priority actions on means of implementation for sustainable forest management are identified for each of the twelfth to fifteenth sessions of the Forum. The present note has been prepared by the secretariat of the Forum to facilitate the deliberations of the Forum, at its thirteenth session, on items 5 and 8 of its provisional agenda, and to inform the Forum of intersessional activities on forest financing, including the work of the Global Forest Financing Facilitation Network.

2. Section II of the present note includes background information on the Global Forest Financing Facilitation Network, which is one of the six components of the international arrangement on forests, and on the priority areas and issues for consideration at the thirteenth session of the Forum.

3. A summary of key developments related to the means of implementation that have occurred since the twelfth session of the Forum is contained in section III. Those developments include a call that was made at the twenty-third session of the Conference of the Parties to the United Nations Framework Convention on Climate Change for the establishment of a new project preparation facility; the sixth and seventh replenishments of the Global Environment Facility; and activities of the Green Climate Fund.

4. Section IV provides an overview of the activities and operations of the Global Forest Financing Facilitation Network, as well as its impact in terms of mobilizing, catalysing and facilitating access to financial, technical and scientific resources to implement sustainable forest management.

5. Section V contains a summary of the expert group meeting on the contribution of the Global Forest Financing Facilitation Network to the implementation of the United Nations strategic plan for forests, which was held in Chengdu, China, from 6 to 8 March 2018. The summary includes the suggested elements and recommended measures for improving the efficiency and effectiveness of the Forum that are to be considered by the Forum at the present session.

6. Section VI contains the main conclusions and recommendations, for consideration by the Forum, on enhancing the means of implementation. Those include decisions on the operational guidelines of the Network and measures to increase its efficiency and effectiveness.

# II. Background

7. In its resolution 2015/33, the Economic and Social Council defined the core functions of the United Nations Forum on Forests, including to promote, monitor and assess the implementation of sustainable forest management, and mobilize, catalyse and facilitate access to financial, technical and scientific resources to that end. At its eleventh session, in 2015, the Forum had recommended the decision to strengthen the facilitative process and make it more effective, and that the name of the process should be changed to the Global Forest Financing Facilitation Network (E/2015/42 and E/2015/42/Corr.1). In addition, the Forum identified the Network as one of the six components of the international arrangement on forests from 2015 to 2030.

8. In the same resolution, the Economic and Social Council decided that the Global Forest Financing Facilitation Network should promote the design of national forest financing strategies, in order to mobilize resources for sustainable forest management, and facilitate access to existing and emerging financing mechanisms, including the Global Environment Facility and the Green Climate Fund. The Council also decided that the Forum should serve as a clearing house on existing, new and emerging financing opportunities and as a tool for sharing lessons learned from successful projects.

9. In the same resolution, the Council further decided that special consideration should be given to the special needs and circumstances of Africa, the least developed countries, countries with low forest cover, countries with high forest cover, countries with medium forest cover and low deforestation, and small island developing States, as well as countries with economies in transition, in gaining access to funds.

10. In its resolution 71/285, the General Assembly adopted the United Nations strategic plan for forests 2017–2030, as contained in annex I to Economic and Social Council resolution 2017/4. The strategic plan reiterated and expanded the Network priorities as follows:

(a) Promote and assist members in designing national forest financing strategies to mobilize resources for sustainable forest management;

(b) Assist countries in mobilizing, accessing and enhancing the effective use of existing financial resources from all sources for sustainable forest management;

(c) Serve as a clearing house and database on existing, new and emerging financing opportunities and as a tool for sharing lessons learned and best practices from successful projects;

(d) Contribute to the achievement of the global forest goals and targets, as well as to priorities contained in the quadrennial programmes of work.

11. According to the quadrennial programme of work adopted in January 2017, the following issues, related to the Network, are to be considered at the thirteenth session of the Forum:

(a) Progress on the activities and the operation of the Network;

(b) Guidelines for the operation of the Network;

(c) Measures to increase the effectiveness and efficiency of the Network.

## III. Key global developments related to the means of implementation since the twelfth session of the Forum

### A. Seventh replenishment period of the Global Environment Facility (2018–2022)

12. During the reporting period, the Global Environment Facility continued to implement its comprehensive sustainable forest management programme launched in mid-2014. The programme is aimed at increasing funding for sustainable forest management while enhancing an integrated approach in the focal areas of climate change, biodiversity and land degradation and creating multiple environmental benefits. The sustainable forest management programme operates as an incentive mechanism that leverages the national allocations of the Facility in support of all types of forests. The sustainable forest management programme also simplified access to forest funding, in particular for small island developing States and the least developed countries.

13. The programme of the sixth replenishment of the Global Environment Facility (2014–2018) benefited from lessons learned during the implementation of the fifth replenishment programme and is based on four objectives aimed at maintaining, managing and restoring forest resources and enhancing regional and global cooperation. The targeted funding under the sixth replenishment period in support of sustainable forest management totalled $766 million. As of November 2017, the available incentive funding was fully utilized in 46 national projects and 5 regional or global programmes. The Facility approved grants valued at $824 million, leveraging an expected amount of $4.5 billion in co-financing. The projects will be

implemented in 59 different countries by 11 implementing agencies accredited by the Facility.[1]

14. The seventh replenishment period of the Global Environment Facility (2018–2022) is currently being prepared. A new strategy for sustainable forest management is being developed in consultation with States members of the Facility and other stakeholders, taking into account the Paris Agreement; relevant decisions of the Conference of the Parties on the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa; relevant decisions of the Conference of the Parties to the Convention on Biological Diversity; the Sustainable Development Goals; the United Nations strategic plan for forests 2017–2030; and relevant decisions of the Forum. After careful consideration of relevant Forum decisions, the Facility decided to continue making funding for forests available through the integrated approach of the incentive mechanism of the sustainable forest management programme. The seventh replenishment period will be launched in July 2018. The Facility will continue cooperating with the Network to identify sustainable forest management opportunities and assist countries in accessing funding.

## B. Green Climate Fund

15. The Green Climate Fund was established in 2015, with a view to limiting or reducing greenhouse gas emissions in developing countries and to helping vulnerable societies to adapt to the unavoidable impacts of climate change. The Fund is focused on financing actions to both mitigate and adapt to climate change and includes forests and land use as one of its four priority areas for climate change mitigation. Although it has no specific amount of funding earmarked for forests, the Fund approved seven projects that target forestry and land use by the end of 2017.[2] Two such projects, in Ecuador and Madagascar, are related to reducing emissions from deforestation and forest degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries (REDD-plus). The remaining projects contribute to emission reductions from reduced deforestation, forest degradation and sustainable forest management. To date, the Fund has committed $216 million for the above-mentioned forestry and land use projects.

16. In October 2017, the Fund launched a $500 million five-year pilot programme for providing results-based payments for REDD-plus, which will allow the Fund to provide public funds to developing countries based on the amount of emissions they have reduced through forestry-related activities. In addition, the Fund has begun to receive proposals for the use of such payments outside the pilot programme in innovative arrangements designed to harness and maximize private sector financing and engagement in this area. Developing countries can also apply for financial support under the readiness and preparatory support programme and the project preparation facility of the Fund. Countries may submit multiple requests for REDD-plus funding, at different times, based on individual country needs, representing a major step forward in innovative financing for forests.

17. In addition, the Fund supports countries to implement their nationally determined contributions, which in most cases include the forest sector. Many countries are preparing and implementing their national REDD-plus strategies, which in most cases are part of their nationally determined contributions. The Fund will support countries in the implementation of REDD-plus strategies at national and subnational levels. The Fund is also developing guidance for alternative policy approaches, including joint mitigation and adaptation, scheduled for release in the

[1] A factsheet on the sixth replenishment of resources of the Global Environment Facility Trust Fund (GEF-6) is available at www.thegef.org/sites/default/files/publications/GEF_SEMFactsheetOct2017_14_FINAL.pdf.

[2] More information on current projects and programmes of the Green Climate Fund is available at www.greenclimate.fund/what-we-do/projects-programmes.

second half of 2018. The Fund is already supporting such holistic approaches to forestry, as illustrated by its support of the Bhutan for Life programme. The Fund will continue to seek out cross-cutting projects to maximize the impacts of its support across different result areas. To that end, the Fund is pursuing both market-based and non-market-based approaches to support the forest sector and is continually seeking novel, innovative projects and programmes to maximize its impact in this key area.

### C. Project preparation facility

18. In November 2017, the executive secretaries of the Convention on Biological Diversity, the United Nations Framework Convention on Climate Change, and the United Nations Convention to Combat Desertification called for the establishment of a new project preparation facility with two core functions: to deliver on existing commitments by promoting large-scale transformative projects to fill existing gaps between projects and funding; and to act as a catalyst for more coordinated action. Such a facility would make it possible to simultaneously contribute to the implementation of the Aichi Biodiversity Targets of the Convention on Biological Diversity; the Land Degradation Neutrality targets of the United Nations Convention to Combat Desertification; and the nationally determined contributions and national adaptation plans of the United Nations Framework Convention on Climate Change. The facility is intended to help finance large-scale, transformative projects that deliver multiple benefits in addressing global challenges and achieving the Sustainable Development Goals. The need for supporting improved proposal design and structuring the investment case for multidimensional projects would be the core mandate of the facility.

## IV. Report on the work of the Network since its twelfth session

19. Since the twelfth session of the Forum, the Network has received 10 new requests from countries for assistance, namely Botswana, the Central African Republic, Côte d'Ivoire, Dominica, Guinea, Jamaica, Saint Kitts and Nevis, Saint Lucia, South Africa and Thailand. The Network also received one subregional request for support, from the Commission of Central African Forests. The Network provided support in building capacity in project design aimed at accessing forest financing and developing national forest financing strategies. Since it was established in 2015, the Network has received 23 requests for assistance from States and 5 from subregional organizations.

20. The Network has also continued providing support to the Niger, Nigeria, Papua New Guinea, Uganda and Zimbabwe since the twelfth session of the Forum. In addition, the Network has started providing support to Fiji, Guinea, Iran (Islamic Republic of) and Madagascar, using funding sourced from the United Nations regular programme of technical cooperation. By February 2018, the Forum secretariat had secured $1.3 million of such funding for the Network, equivalent to approximately $400,000 per year since its establishment. In addition, the Government of China has provided $340,000. The project development support is being provided in collaboration with accredited agencies, including the African Development Bank, the Food and Agriculture Organization of the United Nations, the International Union for Conservation of Nature, the United Nations Development Programme (UNDP) and the United Nations Environment Programme. A total of 13 countries, namely Cameroon, Ecuador, Fiji, Guinea, Iran (Islamic Republic of), Madagascar, the Niger, Nigeria, Papua New Guinea, Senegal, Uganda, Ukraine and Zimbabwe, and one regional organization have benefited from assistance. At the same time, over 300 national experts have been trained in various aspects of resource mobilization, including project development. A summary of the support provided to each of those countries is provided below.

## A. Support to countries

### 1. Ukraine

21. Ukraine was the first country to request support with both the mobilization of financing from international donors and the design of a national forest financing strategy. Following a capacity-building workshop in December 2016, the State Forest Resources Agency of Ukraine developed a national forest financing strategy with the technical support of Network consultants. The strategy was endorsed at a validation workshop, held on 1 June 2017. It includes plans to mobilize financing from a range of international donors. As part of the implementation of the strategy, the State Forest Resources Agency, with assistance from the Network, drafted and submitted a project proposal and a project concept note to donors.

### 2. Papua New Guinea

22. In 2016, the Papua New Guinea Forest Authority submitted a request to the Network for support in raising funds for sustainable forest management from multilateral financing institutions. From 6 to 10 February 2017, the Network held a capacity-building workshop in Port Moresby on designing project proposals, which was attended by 21 participants from the Forest Authority of Papua New Guinea, the Climate Change Development Authority and the Conservation and Environment Protection Authority. The workshop strengthened the capacity of the institutions in collaborating with UNDP in the preparation of a project on implementing a national REDD-plus strategy to be financed by the Green Climate Fund.

### 3. The Niger

23. Following a request from the Minister of Environment and Sustainable Development of the Niger, the Network provided support to the Ministry in mobilizing financing for sustainable forest management from multilateral financing institutions in two ways. A capacity-building workshop was held from 13 to 17 March 2017, on designing project proposals for multilateral donors. Secondly, the Network established a team of national and international consultants to assist the Government of the Niger in drafting a project concept note for the Green Climate Fund. A second workshop, held in Niamey on 14 and 15 December 2017, aimed at validating the project concept note, brought together 24 participants from the ministries of environment and sustainable development, agriculture, energy, planning and community development, as well as from the Office of the Prime Minister and representatives of the private sector and civil society. The African Development Bank, which expressed an interest in supporting the Ministry of Environment and Sustainable Development in the endeavour, was preparing to submit the concept note to the Green Climate Fund, consistent with donor procedures.

### 4. Nigeria

24. A request was received in June 2016 for assistance in strengthening capacity to develop project proposals for accessing funding from multilateral financing sources. In response to that request, the Network has been providing support to the Federal Department of Forestry of Nigeria. The Network has undertaken a detailed situation analysis of the forest sector and forest management in Nigeria and conducted a capacity-building workshop on designing and formulating project proposals for accessing financing from existing and emerging multilateral financing mechanisms in April 2017. The workshop was attended by 30 national experts from various government departments, including agriculture and the environment, as well as academia, research and civil society. A project concept note validation workshop, organized in collaboration with the African Development Bank, which is the implementing agency, was subsequently held in August 2017. The concept note and accompanying pre-feasibility study are being finalized by the African Development Bank and the national Fund focal point of Nigeria for submission to the Green Climate Fund.

### 5. Uganda

25. In November 2016, the Government of Uganda submitted a request for support from the Network to strengthen their capacity to develop project proposals for accessing funding from multilateral financing sources. A capacity-building workshop, which was attended by 27 national experts, was held in Entebbe in April 2017. The support included a detailed situation analysis of the forest sector and forest management in Uganda. In addition, coaching assistance was provided for a drafting team, with a view to producing a draft project concept note and an accompanying pre-feasibility study for a project on the rehabilitation of degraded forest land. In August 2017, a project concept note validation workshop was organized in collaboration with the International Union for Conservation of Nature, which is the accredited implementing agency. The concept note and accompanying pre-feasibility study were finalized and approved by the International Union for Conservation of Nature and the national Fund focal point of Uganda for submission to the Green Climate Fund.

### 6. Zimbabwe

26. Support was provided to Zimbabwe, which focused on the finalization of a project concept note and pre-feasibility study. The concept note formulation workshop was held in March 2017. The concept note validation meetings, organized with the accredited implementing agency (UNDP), were held in December 2017. The concept note and pre-feasibility study are undergoing a UNDP internal technical review prior to submission to the Fund.

### 7. Guinea

27. In August 2016, the Ministry of Environment, Water and Forests of Guinea submitted a request for support from the Network in raising funding for sustainable forest management from multilateral financing sources. In June 2017, the Network established a team of national and international consultants to assist the Government of Guinea in developing a project proposal. The support included undertaking a detailed situation analysis of the forest sector and forest management in Guinea and conducting a capacity-building workshop, held in October 2017, on designing and formulating project proposals for accessing financing from existing and emerging multilateral financing mechanisms. The workshop was attended by 25 national experts from the Ministry of Environment, Water and Forests, the Ministry of Agriculture, academia and civil society. A drafting team was established after the workshop and, with the assistance of an international consultant, has produced a draft project concept note. A concept note validation workshop is expected to be organized in conjunction with the selected accredited agency during the first half of 2018.

### 8. Fiji

28. In July 2016, in response to a request, the Network provided support to the Ministry of Fisheries and Forests of Fiji in mobilizing multilateral financing for sustainable forest management. The activities included a detailed situation analysis of the forest sector and forest management in Fiji and a capacity-building workshop on designing and formulating project proposals aimed at accessing financing from existing and emerging multilateral financing mechanisms. The workshop was attended by 25 national experts from the Ministry of Fisheries and Forests, civil society, academia and development partners. A drafting team was established to initiate development of the project proposal. The Food and Agriculture Organization of the United Nations has agreed to be the implementing organization. In that connection, a validation workshop will be held in 2018.

### 9. Islamic Republic of Iran

29. The Network has also supported the Forests, Range and Watershed Management Organization of the Islamic Republic of Iran in mobilizing financing for sustainable

forest management from multilateral financial institutions. From 28 October to 1 November 2017, the Network held two back-to-back capacity-building workshops on designing project proposals for the Green Climate Fund. The workshops brought together a wide variety of participants, including from the Ministries of Agriculture, Energy and Petroleum; the Department of Environment; and private energy companies of the Islamic Republic of Iran. A team of national and international consultants is supporting the Forests, Range and Watershed Management Organization in drafting a project concept note on sustainable forest management, to be submitted to the Green Climate Fund in 2018.

### 10. Madagascar

30. Madagascar submitted a request to the Network for assistance in developing a national forest financing strategy and mobilizing financing for sustainable forest management from multilateral financing institutions. Based on those requests, the Network held a workshop from 2 to 6 October in Antananarivo, with a view to building the capacity of the Government of Madagascar in designing both a financing strategy and project proposals for multilateral donors. A total of 22 participants from the ministries of agriculture, finance, and environment, ecology and forests were trained in a wide variety of skills related to project design, including multi-stakeholder engagement and logical frameworks. A team of consultants has been established to support the Ministry of Environment, Ecology and Forests in preparing both documents.

## B. New requests for support in 2018

31. There have been several requests from States members of the Forum to receive support from the Global Forest Financing Facilitation Network. Based on the date of those requests and available resources, seven new countries (Botswana, Central African Republic, Côte d'Ivoire, Dominica, Jamaica, Saint Kitts and Nevis and Saint Lucia) are expected to receive support in 2018. The requests include specific assistance to design national forest financing strategies and national forest action plans, in some cases with project development support.

## C. Partnerships and joint activities

32. The United Nations strategic plan for forests 2017–2030 serves as a reference framework for the forest-related work of the United nations system and for fostering enhanced cooperation and synergies among United Nations bodies and partners towards the realization of a vision of a world in which all types of forests and trees outside forests are sustainably managed, contribute to sustainable development and provide economic, social, environmental and cultural benefits for present and future generations. The strategic plan recognizes that there is no single solution to address all financing needs for actions to achieve the global forest goals and targets. It acknowledges that a combination of actions is required at all levels to mobilize resources, by all stakeholders and from all sources, public and private, domestic and international, bilateral and multilateral. The United Nations strategic plan for forests 2017–2030 also recognizes that multi-stakeholder partnerships have an important role in scaling up resources for sustainable forest management and the implementation of the strategic plan. In this regard, since the twelfth session of the United Nations Forum on Forests, the secretariat of the Forum has explored and participated in many partnerships and joint initiatives with other international, regional and subregional organizations and governments, aimed at enhancing coordination and scaling up resource mobilization for implementing sustainable forest management. Some of the key partnerships and joint activities are summarized below.

### 1. United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa

33. In September 2017, the secretariat of the Forum and the secretariat of the United Nations Convention to Combat Desertification signed a memorandum of understanding to promote greater collaboration and joint activities until 2030 in forest financing, including joining forces in designing and preparing land-based transformative projects in selected countries and working cooperatively to identify gaps, obstacles and additional opportunities in financing for sustainable land management and sustainable forest management in order to address the issue of the cross-sectoral nature of sustainable forest management and sustainable land management. The areas of focus include assisting in developing joint land and forest-based transformative projects; increasing levels of financing from the public and private sectors, and from domestic and international sources, to implement the sustainable management of all types of forests and lands; jointly supporting the design of national forest financing strategies and integrated financing strategies in selected countries; reinforcing synergies between implementation of the Convention on Biological Diversity, the United Nations Convention to Combat Desertification and the United Nations Framework Convention on Climate Change (the Rio conventions) and the United Nations forest instrument in land-based action; and promoting forest and landscape restoration as a solution to achieve land degradation neutrality and sustainable forest management. At the thirteenth session of the Conference of the Parties to the United Nations Convention to Combat Desertification, held in Ordos, China, in September 2017, the secretariat of the Forum organized a side event entitled "United Nations strategic plan for forests 2030: promoting action for sustainable forest and land management", which highlighted the role of the Global Forest Financing Facilitation Network.

### 2. United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries

34. The secretariat of the United Nations Forum on Forests and the United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (UN-REDD Programme) initiated joint activities aimed at enhancing coherence between national forest financing strategies and national REDD-plus financing strategies. To this end, the secretariat of the Forum and the UN-REDD Programme jointly organized a workshop on national REDD-plus and forest financing strategies in Latin America, held in Panama City in July 2017. The workshop contributed to, among other things, mapping financing needs and matching them to appropriate sources of financing for sustainable forest management. The workshop also provided a platform for sharing lessons learned through an exchange of experiences between participating countries in terms of best practices in forest financing strategies, investment plans and sustainable forest management project design. The Global Forest Financing Facilitation Network and the UN-REDD Programme identified and agreed on the modalities for future cooperation, especially in assisting States members of the Forum in developing and implementing national REDD-plus and national forest financing strategies.

### 3. International Union for Conservation of Nature

35. As part of the joint initiative on forest landscape restoration, the Collaborative Partnership on Forests developed a joint project proposal entitled "Fostering partnerships to build coherence and support for forest landscape restoration". The secretariat of the Global Environment Facility has approved the project identification form outlining the support of the Global Environment Facility for the medium-sized project. The project is aimed at enhancing synergies in the global forest landscape restoration process and assisting countries and stakeholders in scaling up and strengthening implementation of forest landscape restoration at the national and subnational levels. Indicative support of the Global Environment Facility for this project is $625,000, with indicative co-financing of $722,000. The project's lead

agency is the International Union for Conservation of Nature, and its implementing and collaborating partners are the secretariat of the Convention on Biological Diversity, the Centre for International Forestry Research, the Food and Agricultural Organization of the United Nations, the World Agroforestry Centre, the International Tropical Timber Organization, the International Union of Forest Research Organizations, the United Nations Development Programme, the United Nations Environment Programme and the United Nations Forum on Forests.

#### 4. State Academy of Forestry Administration

36. In July 2017, the secretariat partnered with the Government of China in organizing a seminar on implementing the United Nations forest instrument, held in Beijing, at which 43 participants from 11 developing countries were trained on mobilizing financing for sustainable forest management and national forest financing strategies. The seminar was part of a three-week training programme on sustainable forest management conducted by the State Academy of Forestry Administration of China, funded by the Government of China. The partners agreed to explore the possibility of longer-term cooperation in providing training on mobilizing forest financing and strengthening implementation of the United Nations forest instrument and the United Nations strategic plan for forests 2017–2030.

#### 5. International conference of the Collaborative Partnership on Forests

37. The secretariat of the Forum co-organized a session on innovative financing instruments to enhance progress as part of the international conference entitled "Working across sectors to halt deforestation and increase forest area: from aspiration to action", organized by the Collaborative Partnership on Forests and held in Rome in February 2018. The primary focus of discussions in that session was mobilizing public and private international financing, as well as financial instruments to mobilize domestic funding. While it was recognized that financing levels remained largely inadequate to meet sustainable forest management needs worldwide, speakers shared a wide variety of success stories, including on blended and innovative financing. Case studies included payments for ecosystem services, innovative fiscal systems and seeking commitments from the agribusiness sector in promoting deforestation-free products and supply chains. While the examples cited were mostly small scale, such examples have a high potential for both replication and being scaled up, and could be key to significantly increasing financing levels for sustainable forest management, particularly financing from the private sector.

#### 6. Inter-agency task force on financing for development

38. In 2017 and 2018, the secretariat of the United Nations Forum on Forests continued to provide substantive support to the Inter-Agency Task Force on Financing for Development facilitated by the Financing for Development Office of the Department of Economic and Social Affairs in two ways: (a) coordinating the Inter-Agency Task Force's inputs and updates in the action area of protecting ecosystems, and (b) participating in a panel during the technical meeting on financing for water, energy and ecosystems held on 1 December 2017. The secretariat of the Forum provided further input for the 2018 report of the Inter-Agency Task Force on Financing for Development, notably by updating the chapter on ecosystems on the latest trends in forest financing, including REDD-plus and promoting deforestation-free commodities.

## V. Guidelines for the operation of the Global Forest Financing Facilitation Network and measures to increase efficiency and effectiveness

39. According to the quadrennial programme of work adopted in January 2017, one issue related to the Global Forest Financing Facilitation Network that should be

considered at the thirteenth session of the United Nations Forum on Forests is guidelines for the operation of the Network. An expert meeting was jointly organized by the Government of China and the secretariat of the Forum in Chengdu, China, on 6–8 March 2018, to propose draft guidelines for the operation of the Network, and to consider recommending measures to increase the effectiveness and efficiency of the Network. The meeting also considered the experiences and lessons learned from pilot activities of the Network, as well as information and experiences from similar mechanisms used by other organizations. The proposed guidelines for the operation of the Global Forest Financing Facilitation Network are contained in annex I to the present note, and measures recommended to increase the effectiveness and efficiency of the Network are contained in annex II of this note, for consideration by the Forum at its thirteenth session.

## VI. Conclusion and matters for consideration by the Forum

40. The continued implementation of a comprehensive sustainable forest management programme by the Global Environment Facility and the Green Climate Fund's increasing financing of actions to both mitigate and adapt to climate change, combined with the Fund's inclusion of forests and land use as a priority area for climate change mitigation, has resulted in a significant increase in forest finance. However, support for the development and implementation of strategies to reduce deforestation and forest degradation and achieve sustainable forest management remains insufficient.

41. The support of the Global Forest Financing Facilitation Network can greatly assist countries in accessing forest financing from existing and emerging sources as well as strengthening their capacity to mobilize resources from all sources. Most of the requests received to date have been for capacity-building in accessing forest financing from existing multilateral financing mechanisms. However, the demand for support in developing national forest financing strategies and capacity-building in implementing the United Nations forest instrument and the United Nations strategic plan for forests 2017–2030 has been increasing since the adoption of the strategic plan. The support of the Global Forest Financing Facilitation Network provides a competitive advantage for project conceptualization assistance, capacity-building and facilitating cross-sectoral and multi-stakeholder engagement. Partnerships for the development of project proposals have been successfully forged with accredited implementing agencies that subsequently continue to work with countries on the preparation of the full proposals and submission to donors.

42. The demand for support from developing countries and countries with economies in transition is growing at a pace that is currently not matched by the available resources. Thus, there is need to strengthen the mobilization of resources for supporting the activities of the Global Forest Financing Facilitation Network. On average, the cost of supporting a single country in developing a national forest financing strategy or accessing financing from multilateral financing mechanisms is approximately $100,000. Current demand for Network support averages from 6 to 10 countries per year. In this regard, in line with the report on the twelfth session of the United Nations Forum on Forests (E/2017/42) and the United Nations strategic plan for forests 2017–2030, States members of the Forum and others in a position to do so are invited to provide voluntary contributions to the Forum Trust Fund to support enhanced activities of the Network.

43. The Forum may wish to:

(a) Consider the outcome of the expert meeting held in China and make a decision on the guidelines for the Global Forest Financing Facilitation Network, as well as on measures to improve the efficiency and effectiveness of the Network;

(b) Invite the secretariat of the Green Climate Fund to designate staff members to serve as a liaison between the Forum and the Fund to facilitate access to funding for sustainable forest management;

(c) Encourage the members of the Forum to provide voluntary contributions to the trust fund for the United Nations Forum on Forests to meet the increased demand for the Network's support for countries;

(d) Request the secretariat to continue to develop and nurture partnerships aimed at strengthening collaboration at the international, regional, subregional and national levels and strengthen collaboration with members of the Collaborative Partnership on Forests in the Network's partner countries where national offices of Partnership members exist.

# Annex I

## Proposed guidelines for the operation of the Global Forest Financing Facilitation Network

### Rationale

The essential contribution of forests and sustainable forest management to sustainable development is recognized in Sustainable Development Goal 15 of the 2030 Agenda for Sustainable Development. Sustainable forest management is widely considered vital to achieving all 17 Sustainable Development Goals, including poverty eradication. The adoption by the General Assembly of the first ever United Nations strategic plan for forests 2017–2030 underscores this contribution through six global forest goals and 29 targets which build on the United Nations forest instrument adopted in 2007. These global forest commitments can be achieved only through enhanced financial resources from all sources and at all levels. While significant international public financing for forests has become available in the past decade, primarily in the climate change context, many countries lack the resources and capacity needed to implement sustainable forest management. To help unlock and facilitate access to these resources and build the capacity needed, the United Nations Economic and Social Council launched the Global Forest Financing Facilitation Network in 2015 on the basis of a recommendation of the United Nations Forum on Forests at its eleventh session.[1]

### Guidelines for the operation of the Global Forest Financing Facilitation Network

#### I. Purpose and priorities

The Global Forest Financing Facilitation Network of the United Nations Forum on Forests, in close cooperation with members of the Collaborative Partnership on Forests, contributes to the scaling up of sustainable forest management by facilitating access for countries to resources to implement the United Nations strategic plan for forests 2017–2030 and to achieve its global forest goals and targets. To this end, the priorities for the Network are the following:

- To promote and assist members of the Forum in designing national forest financing strategies to mobilize resources for sustainable forest management, including existing national initiatives, within the framework of national forest programmes or other appropriate national frameworks;
- To assist countries in mobilizing, accessing and enhancing the effective use of existing financial resources from all sources for sustainable forest management, taking into account national policies and strategies;
- To serve as a clearing house and database on existing, new and emerging financing opportunities and as a tool for sharing lessons learned and best practices from successful projects, building on the Collaborative Partnership on Forests online sourcebook for forest financing;
- To contribute to the achievement of the global forest goals and targets, as well as priorities contained in the Forum's quadrennial programmes of work.

*(United Nations strategic plan for forests 2017–2030, para. 62)*[2]

[1] The United Nations Forum on Forests is a subsidiary body of the Economic and Social Council. The Global Forest Financing Facilitation Network was launched by the Council in its resolution 2015/33.

[2] References in parentheses indicate the source of the text, primarily the United Nations strategic plan for forests 2017–2030 and Economic and Social Council resolution 2015/33, and are included here to facilitate review. Those references will not be included in the final guidelines to be adopted by the Forum.

2. **Principles**

- The Global Forest Financing Facilitation Network will operate under the auspices of the United Nations Forum on Forests and will be accountable to the Forum.
- The Global Forest Financing Facilitation Network priorities will be carried out in a balanced, transparent and effective manner. (E/2017/42)
- The operation of the Network will be consistent with the applicable rules and regulations of the United Nations.
- The Network's activities will promote the empowerment of women and girls, gender equality, and the involvement and participation of major groups and other stakeholders, as well as cross-sectoral and integrated approaches to forest financing, including with the private sector.
- The Network's activities will also promote capacity-building related to forest financing.

3. **Management**

- The secretariat of the Forum will manage the Global Forest Financing Facilitation Network and implement its activities in collaboration with relevant members of the Collaborative Partnership on Forests. (*Economic and Social Council resolution 2015/33, para. 17 (b)(iii)*)
- The capacity of the secretariat will be enhanced as appropriate to ensure effective, efficient and transparent management of the Network, in accordance with United Nations rules and regulations. (*Based on Economic and Social Council resolution 2015/33, para. 13 (f)*)

4. **Eligibility**

- All Members of the Forum which are developing countries or countries with economies in transition are eligible to request assistance through the Network.
- Special consideration should be given to the special needs and circumstances of Africa, the least developed countries, countries with low forest cover, countries with high forest cover, countries with medium forest cover and low deforestation, and small island developing States, as well as countries with economies in transition, in gaining access to funds. (*United Nations strategic plan for forests 2017–2030, para. 63*)

5. **Procedures**

(a) Requests for assistance:

- Eligible members interested in receiving assistance through the Global Forest Financing Facilitation Network will submit expressions of interest to the Secretariat from their Ministers responsible for forests and, where appropriate, through diplomatic channels.
- The Secretariat will respond to such expressions of interest in a timely manner, advising on the consistency of requests with Network priorities and principles and on the availability of resources.
- Where requests are consistent with Network priorities and principles and resources are available, the secretariat and the requesting country or countries will agree in writing on the specific terms of the assistance, including responsibilities, time frame, expected outputs, and the involvement of major groups and other stakeholders.

(b) Allocation of Global Forest Financing Facilitation Network resources:

- In allocating resources, the Secretariat will take into account the need to assist as many countries as possible.
- If sufficient resources are not available, the Secretariat will maintain a waiting list of pending requests.
- The Secretariat may institute additional procedures as needed to ensure the effective, efficient and transparent allocation of resources and will report to the Forum in this regard.
- Management of Network resources will be consistent with the financial rules and accounting standards of the United Nations.

**6. Partnerships**

- The Secretariat will develop collaborative arrangements and partnerships with organizations at various levels to facilitate and enhance Global Forest Financing Facilitation Network operations from all sources. These may include:
  - The Global Environment Facility, the Green Climate Fund, international financial institutions, development assistance agencies and philanthropic and private investment organizations.
  - The Rio conventions and other members of the Collaborative Partnership on Forests and United Nations organizations.
  - Regional and subregional organizations.
  - National and subnational organizations.
  - Major groups and other stakeholders.

*(Based on the United Nations strategic plan for forests 2017–2030, para. 62, and Economic and Social Council resolution 2015/33, paras. 13 (b) and (f), 14 (e) and (f), 15 (b), 17 (b)(ii) and 20 (c).)*

- Where relevant, such partnerships will aim to strengthen collaboration at the national, subregional and regional levels.

**7. Clearing house**

- The secretariat will develop, without duplicating existing efforts, the Global Forest Financing Facilitation Network online clearing house, in consultation with interested members of the Collaborative Partnership on Forests, with a view to providing:
  - A comprehensive up-to-date database on forest financing opportunities and financial flows for sustainable forest management, drawing and building on existing initiatives and sources of information.
  - A web-based interactive platform for the exchange of data, lessons learned and best practices among users, including, for example, on project conceptualization.
  - A source of data for assessing progress on target 15.b of the Sustainable Development Goals and global forest goal 4.
- The Secretariat will establish and maintain a network of regular data providers to the clearing house which will not entail new national reporting requirements.

**8. Funding and resource mobilization**

- The Forum:
  - Recognizes that sufficient financial, technical and human resources will be necessary for effective functioning of the Global Forest Financing Facilitation Network, including timely responses to requests for assistance;
  - Will encourage members, and others in a position to do so, to provide voluntary contributions, on a regular basis, to the trust fund for the United Nations Forum on Forests to support enhanced activities under the Network. *(United Nations strategic plan for forests 2017-2030, para. 65; and E/2017/42)*
  - Will invite States members of the Forum and members of the Collaborative Partnership on Forests to provide secondments to the secretariat to support the work of the Network.
- The Secretariat will:
  - Work closely with members of the Collaborative Partnership on Forests, including through the Partnership's workplans, and other cooperating organizations and financing mechanisms, to identify opportunities to leverage co-financing and in-kind contributions. *(Based on the United Nations strategic plan for forests 2017-2030, para. 62, and Economic and Social Council resolution 2015/33, paras. 13 (f) and 17 (b)(iii))*;
  - Actively explore opportunities for funding support from other sources, including United Nations technical assistance programmes, regional and subregional organizations, the private sector and philanthropic organizations;
  - Seek the Forum's guidance as needed on measures to ensure adequate and predictable resources for effective Network operations.

**9. Reporting and communication**

- The Secretariat will provide an annual report to the Forum on the Network's activities, partnerships, lessons learned, financial management and administrative arrangements, and the workplan for the coming year.
- The Forum will provide guidance on the content of annual reports as needed to ensure transparency.
- The secretariat, as requested, will provide donors with information on the use of their voluntary contributions to the Forum trust fund earmarked for the Network.
- The secretariat will highlight the Network in its communication and outreach strategy and through various communication tools, including posting regular updates of Network activities on the United Nations Forum on Forests website.

**10. Follow-up and evaluation of the Network's activities**

- The Forum will annually:
  - Monitor and assess the work and performance of the Network, including reviewing and advising on the availability of Forum trust fund resources;
  - Ensure that the operation of the Network is consistent with these guidelines. *(United Nations strategic plan for forests 2017-2030, para. 65; and Economic and Social Council resolution 2015/33, para. 6 (f)(iii) and (iv))*
- The Forum will arrange for a transparent independent evaluation of the effectiveness and efficiency of the Network's operations on a periodic basis and will develop indicators, including stakeholder-specific indicators, in this regard.

## H. Review of the guidelines

- The Forum will review these guidelines in 2024 in the context of the mid-term review of the international arrangement on forests and revise them as needed. (*United Nations strategic plan for forests 2017–2030, para. 65 (a); and Economic and Social Council resolution 2015/33, para. 41*)

# Annex II

## Proposed measures to increase the effectiveness and efficiency of the Global Forest Financing Facilitation Network

1. The following proposed measures to improve the effectiveness and efficiency of the Global Forest Financing Facilitation Network could be undertaken by the Secretariat, assuming sufficient resources are available, to take forward the Guidelines for operation of the Network. A number of these measures are based on the background paper on the critical review of the Network.

### 1. National forest financing strategies

2. Building on existing initiatives and in cooperation with members of the Collaborative Partnership on Forests where possible, the secretariat could:

(a) Develop a generic guide for the elaboration of national forest financing strategies and associated national forest programmes and national action plans for resource mobilization at the country level from all sources and improved effectiveness in resource utilization;

(b) Develop a modular training package for elaboration of national forest financing strategies and associated national forest programmes and national action plans;

(c) Enhance capacity-building and specific technical support, as required by eligible members of the Forum, considering, inter alia, all sources of funding, all actors, national financial intermediaries, national coordination, national capacity of accredited entities and implementation agencies, monitoring of financial flows and internal and external communication.

### 2. Support to resource mobilization at the programme and project levels

3. With respect to support to resource mobilization at the programme and project levels, the secretariat could:

(a) Shorten the response time to country requests;

(b) Prior to delivering support, adjust the request process to country circumstances, notably in terms of clarification and background information and by carrying out possible advisory missions;

(c) Link the scope of project conceptualization to the requirements of targeted financing sources;

(d) Develop follow-up advisory support to assist countries in the subsequent submission and negotiation process;

(e) Develop an expanded roster of qualified national and international consultants;

(f) Set up a feedback mechanism for lessons learned and best practices on programme and project conceptualization.

### 3. Clearing house functions and sharing lessons learned and best practices

4. Building on the guidelines, the Secretariat could:

(a) Allocate appropriate resources and harness the latest technologies available in maintaining the databases up-to-date;

(b) Consider the inclusion of voluntary national contributions in the clearing house, considering the experience of the United Nations Framework Convention on Climate Change and other relevant bodies;

(c) In view of the extensive scope of the above-stated possible tasks and proposed element 7 (Clearing house) of annex I, build the clearing house in a step-wise and transparent manner with approval of the Forum.

## 4. Collaboration and partnerships

5. With respect to collaboration and partnerships, the secretariat could:

(a) Strengthen collaboration with regional and subregional intergovernmental entities by organizing capacity-building and developing joint programmes and projects upon request by respective organizations through members of the Forum;

(b) Enhance collaboration with project preparation facilities of relevant international organizations;

(c) Strengthen involvement of and collaboration with major groups and other stakeholders in conceptualizing programmes and projects in the context of assisting Members, including by enhancing stakeholder consultations;

(d) In assessing the necessary human and financial resources, determine what kind of cooperation arrangements can be made with partner organizations in accountable implementation of measures to contribute to the Network's mandate (such as leveraging existing databases) with a view to reducing duplication effort and attaining efficiency.

## 5. Potential actions by the Forum

6. In order to enhance the effectiveness and efficiency of the Global Forest Financing Facilitation Network, the Forum could:

(a) Invite the Secretariat of the Green Climate Fund to establish a liaison focal point to enhance collaboration with the Network;

(b) Enhance the Network's operations commensurate with defined tasks;

(c) Encourage Members, and others in a position to do so, to provide necessary funding for operating the Global Forest Financing Facilitation Network, including through strengthening the trust fund of the United Nations Forum on Forests, with substantial initial investment to enable the Network to meet the growing demand for existing and new services.